

STATE OF MICHIGAN COMMISSION OF AGRICULTURE MEETING MINUTES

November 1996

CALL TO ORDER:

Chairperson Shirley A. Skogman called the Michigan Commission of Agriculture (MCA) meeting to order at 4:30 p.m., November 7, 1996. Meeting was held in the Dean M. Pridgeon Room, Michigan Department of Agriculture (MDA), Ottawa State Office Building, Lansing, Michigan. Commission Secretary Douglas E. Darling called roll.

COMMISSIONERS PRESENT:

Shirley A. Skogman, Chairperson

David Crumbaugh

Norman R. Veliquette, Vice Chairperson

Jordan B. Tatter

Douglas E. Darling, Secretary

MDA Staff Present (during portions of the afternoon):

Daniel J. Wyant, Director

Keith E. Creagh, Deputy Director

Robert Craig, Director, Agriculture Policy and Special Projects

Vicki Pontz-Teachout, Director, Office of Legislative Liaison

Jean Valley, Executive Secretary to the Commission of Agriculture

Legal Counsel:

Jann Ryan Baugh, Assistant Attorney General

Others Present (during portions of the afternoon):

James Stacey, USDA-Natural Resources Conservation Service (NRCS)

With regrets Director Dan Wyant announced Dr. Heffron, Director of the MDA Food Division, had died today. This is a great loss to MDA; Dr. Heffron was well-respected and a state and national industry leader; he will be greatly missed.

APPROVAL OF AGENDA:

There was consensus to approve agenda as printed.

MINUTES OF PREVIOUS MEETING:

Commissioner Veliquette moved that minutes for the October 10-11, 1996, Commission of Agriculture meeting be approved.

(Seconded)

MOTION: Motion carried unanimously.

NEXT MEETING:

The next regular meeting of the MCA will be held December 3-4, 1996, in the Winchester Room, Amway Grand Plaza Hotel, Pearl at Monroe Streets, Grand Rapids, Michigan.

Meeting will be in conjunction with the Michigan State Horticultural Society's Annual Meeting.

Chairperson Skogman announced she cannot attend the December meeting. Vice Chairperson Veliquette said he may not be present either.

COMMISSIONERS' PER DIEM AND TRAVEL EXPENSES:

Commissioner Tatter moved that per diem and travel expenses be approved for:

- October 23, 1996--Oakland County Farm Bureau Annual Policy Meeting, Clarkston: Commissioner Douglas Darling
- October 24, 1996--School Lunch Awareness Week Activities, Escanaba: Commissioner Shirley A. Skogman

MOTION

(Seconded)

Motion carried unanimously.

COMMISSION RESOLUTIONS:

Commissioner Veliquette moved that Commission resolutions be approved honoring Dr. Albert Danes (Attachment A) and Charles L. Tesch (Attachment B) upon their retirements from MDA and for Robert Dykhuis (Attachment C) for his contributions to the Michigan swine industry.

MOTION:

(Seconded)

Motion carried unanimously.

Eligibility criteria and procedure for preparing resolutions were discussed. It was noted that Commission policies need to be reviewed and updated. Staff will review policies and submit suggestions for revisions to the Commission.

Commissioner Tatter asked if there is a departmental policy book. He reported the Natural Resources Commission (NRC) reviewed and helped develop policies for Department of Natural Resources (DNR). Director Wyant agreed there is a need to gather, review, and create a MDA policy handbook.

COMMISSIONERS' COMMENTS:

Commissioner Crumbaugh reported on events related to the Stoneman beef feedlot facility under construction. Emotions are running high regarding this facility; some neighbors are trying to have barn construction stopped. Stonemans followed the zoning guidelines and are working with local authorities who determined a license is not required to construct this facility. Commissioner Crumbaugh is encouraging MDA, Michigan Farm Bureau (MFB), and Michigan State University (MSU) Extension to support installation of this facility.

Mr. Wyant reported MDA has been involved. Wayne Whitman (right to farm manager) visited the site and reviewed the Stoneman plan which follows right-to-farm practices. The Director and Robert Craig visited the Stonemans and toured the site. The barn is under construction. This is a family farm and based on decisions made by the township board, county planning commission, and local prosecutor, a permit is not needed. Neighbors opposing the feedlot went to court to request a restraining order on the construction; however, as of this date the judge has not taken action.

Mr. Wyant met with Jack Laurie and Kevin Kirk of MFB about this matter; MFB has been active in an educational process with local zoning officials about the laws related to this operation. An agricultural mediation service was contacted in an attempt to have Stonemans and their objecting neighbors meet to see if there is common ground to work on the issue. In reality, more cattle were fed in that area 20 years ago than what the Stonemans are proposing for their facility, so this is not a new concept for Gratiot County.

Commissioner Crumbaugh reported sugar beet yield (tonnage) is low; however, sugar content is high. Processors' profits will be down due to the small crop.

He reported he has an underground storage fuel tank which would be costly to update to current regulations or remove; however, he was pleased to find requirements and permit for storing an unregulated substance were reasonable and not too expensive.

Commissioner Crumbaugh recently visited with former Director Gordon Guyer who praised Mr. Wyant's participation at the Kellogg Center's agricultural recognition dinner November 3. Kellogg Center plans to host four agricultural recognition dinners each year. Menus for these events will showcase Michigan food products; pork, beans, dairy, apples, and potatoes were recognized November 3. Mr. Wyant encouraged the Commissioners to attend future dinners.

Commissioner Veliquette commented about the apple harvest last year when there was an abundance of apples, a shortage of boxes, and apples had to be stockpiled and this year when the entire crop has been delivered and processing plants are running only one shift. It is reported processors were importing apples from the West; however, most are too big or too small for peelers. It is a challenging year for the apple industry.

Commissioner Veliquette reported a pesticide spill occurred in Leelanau County one weekend last summer when an orchard spray truck went off the road. Vehicle owner contacted MDA and received instruction for cleanup. Problem was resolved expeditiously and met all requirements of the law. The positive response, readily available information and help, and prompt and thorough cleanup of the spill were appreciated by the truck owner and community.

The Director asked Commissioner Veliquette for the name of the MDA employee so he could commend the employee for his or her part in this matter.

Commissioner Tatter reported:

- Concord grape harvest was one-third complete when southwest Michigan was hit by a severe freeze which affected grape quality. Sugar content requirement was reduced to accommodate freeze-damaged fruit but price to farmers will be lower;
- Southwest Michigan apple harvest is complete; crop is between 40 and 50 percent less than usual. Regular and controlled atmosphere storage space is not filled;
- He attended meetings with Michigan FFA and MSU educators and Michigan Food Processing Industry Roundtable to develop program funding (a portion from Michigan Jobs Commission) to bring awareness of food processing employment opportunities to high school teachers and students;
- He participated in the MDA southwest Michigan regional meeting/tour of the Dale Foster family farm in Berrien County. Event received positive coverage from the press;
- Other than some field corn, all area crops are harvested;
- DNR is making an extensive effort to inform hunters and landowners about easy access to antlerless deer licenses. With landowner and hunter cooperation, the herd can be reduced in areas experiencing deer damage to crops. Program will need refinement and must be an annual effort; and
- Commercial lenders (banks) to Michigan elevators and grain dealers are evaluating impact of Hedge-to-Arrive contracts on borrowers' financial positions as part of the lending process. Procedure will be a routine part of future farmer credit applications.

Commissioner Tatter thanked Mr. Wyant for his excellent presentation to administrative staff, plant managers, and board of directors during Hanson Cold Storage's annual planning meeting. All present were pleased with the Director's and MDA's commitment to attract and enhance value-added food processing activities in Michigan.

Director Wyant said WJR radio and The Detroit News reported this morning that DNR had extended the deer hunting season on private lands until December 8 in the Lower Peninsula and for two weeks in portions of the Upper Peninsula (U.P.). Mr. Wyant issued a press release complimenting DNR for this (copies of newspaper article and press release on file in Commission office).

Commissioner Darling reported soybean and corn harvest continues; yields are down some for soybeans and 30-40 percent for corn in parts of Monroe County.

He attended the Oakland County Farm Bureau Annual Meeting; policy resolutions were discussed on many issues including roads, right to farm, and changes in P.A. 116, including purchase of development rights. As farmland is preserved in areas of dense populations, he is concerned about impact of right-to-farm complaints on farmers in those areas.

Commissioner Darling thanked Mrs. Baugh for sending copies of the Attorney General's Opinion regarding P.A. 116 (assessments for installation of utilities). Opinion will result in considerable savings to farmers.

Commissioner Darling asked for a report on agri-science education funding. Director Wyant said MDA staff met with Department of Education and Governor's staff and funding for agri-science education programs will be provided for 1996-97. He will continue to work for long-term funding of these programs.

Chairperson Skogman reported:

- She attended a number of educational and enjoyable meetings including Foster City Civic Club's Farmer of the Year Dinner (a deserving farm family was honored for its dedication and service to farming and community involvement);
- Extreme cold delayed potato harvest. Skogmans were able to complete their harvest on October 11, but there was some frost damage.
- In some areas potato crop was large (up to 650 bags per acre--about twice the average). There is a glut of potatoes and no fresh market; processing contracts are filled and large quantities left over. Wisconsin has an 18-month supply and producers lack space to store potatoes for the winter. Processors are offering \$0.50 to \$1/cwt. but do not really want more potatoes. Seed market will be limited as some growers will plant potatoes they have left or if they purchase seed, it will be at late in the spring. U.P. seed potato growers may have a selling advantage because they did not have late blight;
- She participated in School Lunch Awareness Activities October 24 at Jefferson School, Escanaba, with Debbie Mulvaney (MDA Region I). Mrs. Mulvaney developed a creative, educational, and fun program featuring Michigan-grown foods (pictures and copy of newspaper article about the program are on file in Commission office). She commended Mrs. Mulvaney for the excellent programs she has developed to promote Michigan agriculture;
- Chairperson Skogman wrote an article, "Potato farms have rich history in Michigan," which appeared in the October 26 edition of The Daily Press (copy on file in Commission office);
- Commissioner Skogman attended the annual meeting of Iron Range Farm Bureau. Farmers, business leaders, and local politicians were present to discuss policies including a statewide policy to ban feeding deer after December 31 (through the winter months) and to remove farm equipment from road vehicle classification for insurance purposes.

Director Wyant said he believed legislation had passed regarding this issue; this will be checked and the Commissioners informed.

Commissioner Skogman asked for information about the transfer tax (related to sale of property). She asked if any Commissioner participated in the selection committee meeting for MSU's new director of Extension; none was able to participate. Mr. Wyant reported the three finalists for the position are: Arlen Leholm (Acting Extension Director), Michael Tate (4-H Director), and Daniel Keathley (Chairperson of the Department of Forestry).

Chairperson Skogman reported and commended Capital City Airport for its plan to feature Michigan food products in its food service facilities next year.

In conclusion, she reported voter turnout in the U.P. was very high. It was her opinion that

Proposals D and G influenced the turnout.

USDA-NRCS:

James Stacey, Acting State Conservationist, reported Jane E. Hardisty from NRCS (Indiana) was appointed Michigan's state conservationist. Ms. Hardisty has an agricultural education and background; she has participated in a number of important national work groups in recent years. She assumes her new position on December 1. Biographical information was distributed and is on file in the Commission office.

Michigan's State Technical Committee (Dr. Kurt Thelen is MDA's representative) will meet in mid-November. A major issue is ineligibility of large livestock operations for cost-share funding from EQIP for animal waste facilities. There are no parameters; state conservationists determine definition of "large" based on recommendations developed by state technical committees. This is becoming a "hot" issue in other parts of the country. About \$200 million will be available nationally for EQIP.

Mr. Stacey reported comment period for the EQIP rules extends until November 25; it is anticipated final rules will be available after January 1, 1997.

1997 COMMISSION MEETING SCHEDULE:

Commissioner Tatter moved that the 1997 MCA meeting schedule be as follows:

January 16-18: Grand Rapids (in conjunction with the Michigan Association of Fairs and Exhibitions Convention)

February 11-12: Lansing

March 4-6: East Lansing (in conjunction with MSU Agriculture and Natural Resources Week)

April 8-9: Lansing

May 6-7: Lansing

June 10-11

July 10-11: Elk Rapids/Bellaire Area

August 13-15: Escanaba (in conjunction with the U.P. State Fair)

September 9-10: Lansing

October 7-8: Lansing

November 4-5: Lansing

December 9-10: Lansing

MOTION

(Seconded)

Motion carried unanimously.

ADJOURNMENT AND CALL TO ORDER:

Chairperson Skogman adjourned the first session at 5:48 p.m. and called the second session of the MCA meeting to order at 8:30 a.m., November 8, 1996.

COMMISSIONERS PRESENT:

Shirley A. Skogman, Chairperson

David Crumbaugh

Norman R. Veliquette, Vice-Chairperson

Jordan B. Tatter

Douglas E. Darling, Secretary

MDA Staff Present (during portions of the day):

Daniel J. Wyant, Director

Keith E. Creagh, Deputy Director

Carol Carlson, Financial Services Division

Robert Craig, Director, Agriculture Policy and Special Projects

Katherine Fedder, Director, Market Development Division

Philip Kirkwood, Food Division

Patrick Mercer, Food Division

David Pike, Director, Financial Services Division

Vicki Pontz-Teachout, Director, Office of Legislative Liaison

Brian Rowe, Pesticide and Plant Pest Management Division (PPPM)

Kenneth Rauscher, Director, PPPM

Robin Rosenbaum, PPPM Toxicology Section

Dr. David Skjaerlund, Executive Director, Rural Development Council of Michigan

Marilyn Thelen, Financial Services Division Fairs and Racing Section

Dr. David Wade, PPPM Toxicology Section

Tom Whalen, Director, Dairy Division

Wayne Whitman, Right to Farm Program, PPPM Office of Pollution Prevention

Denise Yockey, Market Development Division

Jean Valley, Executive Secretary to the Commission of Agriculture

Legal Counsel:

Jann Ryan Baugh, Assistant Attorney General

Others Present (during portions of the day):

Brad Deacon, Executive Office of the Governor

Tom Frazier, U.S. Senator Abraham's Office

Richard Harlow, P.A. 116 Program, DNR

Charles F. Kline, Northern Michigan Fairs and Racing Association

Ron Nelson, MFB

James Schnackenberg, Director, Environmental Health Division, Barry-Eaton

District Health Department

PESTICIDE AND PLANT PEST MANAGEMENT DIVISION:

Food Quality Protection Act Update. Dr. David Wade reviewed the history of the Delaney Clause, the lawsuit which ultimately resulted in the Food Quality Protection Act enacted by Congress in August, and the requirements of this new act. Because of the lack of data and the requirement to establish tolerances, the new law will create problems for the agricultural industry.

Ms. Rosenbaum discussed the impact of the new act on Section 18 exemptions. Tolerances must be established for each Section 18 exemption.

Attachment D is a summary of Dr. Wade's and Ms. Rosenbaum's comments on the law's impact on Michigan agriculture.

Brian Rowe commented on the coordination among commodity groups, MSU, MFB, and MDA. He reported Dr. Wade is on the American Association of Pesticide Control Officials and Ms. Rosenbaum is on a number of committees which provide opportunities for input into the system and influence on policy and other decisions. MDA will work to get Section 18 requests submitted early.

AMENDMENT OF AGENDA:

There was consensus to amend the agenda and hear comments from James Schnackenberg.

PUBLIC COMMENTS:

James Schnackenberg, Barry-Eaton District Health Department, expressed appreciation of Dr. Wade's and Phil Kirkwood's efforts during the transfer of the food safety program to MDA. He also appreciates the interest and enthusiasm MDA has shown in computerization of food service inspections and reports. He believes the new partnership is working well and will

continue to in the future.

DIRECTOR'S REPORT:

Attachment E is the written Director's Report for November 1996.

Food Quality Protection Act. Mr. Wyant commended the MDA team, including Dr. Wade, Ms. Rosenbaum, and Messrs. Creagh, Rauscher, and Rowe, which is responsible for our efforts in this area.

New Technology. In presenting his report, the Director demonstrated the new, computerized audio-visual equipment installed in the Pridgeon Room which has many capabilities including access the Internet and conducting video-conferencing.

Mr. Wyant reported on recent activities, meetings, and events he has attended and discussed issues requiring his and the department's attention since the last Commission meeting. Attachment E includes a summary of his comments.

References to Written Director's Report for November 1996:

Illegal Labor Camp. Referring to the Farmland Services section of the report, Commissioner Tatter commented on the illegal labor camp in his area and pointed out no farmer was involved. He also asked if the study to develop a debrining process for cherry waste can be expanded to include pickling cucumber waste.

Market Development Division: Agriculture Marketing and Bargaining Board.

Commissioner Tatter asked for results of completed survey. **International Trade.**

Commissioner Veliquette referred to the report on the imminent unfavorable ruling on opening the Canadian dairy market and requested an update on this issue. He reported the cherry industry experiences similar problems. Mr. Wyant reported letters were sent to Michigan's congressional delegation and the Governor indicating MDA's support for opening reciprocal trade with Canada for dairy products. Denise Yockey will be asked to provide an update later in the meeting.

PPPM Division: Fertilizer Sampling. Commissioner Tatter expressed an opinion that violations at 20 percent seemed high; he asked if there is a pattern in violations. Ben Darling reported 20 percent is rather low; history is in the range of 30 percent. Percentage is somewhat misleading as problem manufacturers are targeted and this will skew results.

Department of Environmental Quality (DEQ) Water Quality Meeting. Commissioner Tatter asked that information generated from meeting be shared with the Commission.

Office of Racing Commissioner. Charles Kline referred to a statement in the Office of Racing Commissioner section of the report ". . .total wagering at Michigan racetracks (live and simulcast) was up 44.9 percent at \$379,226,068, compared to \$361,770.939 in 1995." and questioned accuracy of percentage. [Secretary checked with Racing Commissioner and wagering total for 1995 was \$261,770,939; percentage is correct and wagering total in report was corrected.]

The live racing tax will be phased out at the end of this year and tax will be on simulcast racing

only in 1997. Mr. Kline has concern about the amount of money to be generated; he believes more study and analysis are needed.

Fuel Quality Issues. Commissioner Crumbaugh asked for a report on violations related to low-sulfur diesel fuel and diesel fuel quality.

COMMISSION BUDGET:

Attachment F is the Michigan Agriculture Commission's Fiscal Year 1996-97 Appropriation Status Report for October 1996.

RECESS AND RECONVENE:

Chairperson Skogman recessed the meeting at 9:58 a.m. and reconvened it at 10:12 a.m.

AMENDMENT OF AGENDA: There was consensus to amend the agenda and receive comments from Tom Frazier. The Commission welcomed Mr. Frazier to the meeting.

PUBLIC COMMENTS:

Tom Frazier is regional director for Senator Abraham. He was attending the Commission meeting to gain more information about current agricultural issues.

Director Wyant expressed his and the Commission's appreciation for Senator Abraham's support of agriculture. Senator Abraham has an agricultural advisory group with which he meets regularly. He assured Mr. Frazier MDA will keep Senator Abraham informed about issues and challenges facing this industry.

EXECUTIVE OFFICE:

Legionnaire's Disease. Mr. Creagh reported the Michigan Department of Community Health completed its investigation into the legionnaire's disease outbreak in Farmington Hills. Source was the cooling tower on a meat market. This is not a food safety issue. Dr. Wade and Gerald Wojtala will attend a press conference scheduled later in the day. MDA has a number of questions to be answered; however, it has not had opportunity to review Community Health's and the county health department's investigation reports so it is not known if revisions are needed in procedures related to interaction between cooling towers, the general public, and food in the establishment.

LEGISLATIVE REPORT:

Vicki Pontz-Teachout referred the Commission to the November 1996 Department of Agriculture Bill Status Report (Attachment G) and provided additional information on the following:

- **H.B. 4171, 4172, and 4173, Purchase of Development Rights/Transfer of Development Rights;**
- **H.B. 6150, Drain Code.** Ms. Pontz-Teachout and Michael Gregg will review issues related to revisions to the Drain Code during the December Commission meeting.

MDA anticipates action on the following legislation during the lame duck session:

- **S.B. 1158 through 1162, Migrant Housing;**
- **H.B. 6052, Groundwater;**

Legislative Changes Due to Election. Ms. Pontz-Teachout circulated a map showing locations of the 21 newly elected Republican and Democratic representatives and areas where there were turnovers. The House will have 58 Democrats and 52 Republicans. Ms. Pontz-Teachout will provide copies of the Agricultural Statistics Report (by county) and other MDA-related information to new legislators. Consideration is being given to holding the MDA legislative reception earlier in 1997 to provide opportunity to inform the new legislators about MDA and its constituents.

Commissioner Tatter requested Commissioners be provided names, addresses, and phone numbers for new legislators from their areas so they may contact them, also.

Mr. Wyant and Ms. Pontz-Teachout will visit new legislators and chairpersons of agriculture and appropriations committees when they arrive in Lansing.

Included in Attachment G is a summary of Ms. Pontz-Teachout's comments.

AMENDMENT OF AGENDA:

Due to a request for information made earlier in the meeting, there was consensus to amend the agenda and receive a report from Denise Yockey.

MARKET DEVELOPMENT DIVISION:

Denise Yockey and Katherine Fedder responded to questions regarding the Agriculture Marketing and Bargaining Board and dairy export issues. Ms. Yockey distributed and reviewed a report (Attachment H) on the dairy products export situation with Canada.

The Director asked if the U.S. is open to Canadian imports and if products are coming in. Commissioner Veliquette reported Canadian-made cherry turnovers are imported and sold by Burger King in Michigan, but Michigan cherries are not allowed in Canada. Ms. Yockey will check into this for the Commission.

Regarding the processor survey, Ms. Fedder reported about 65 percent of the survey forms mailed were returned. Followup telephone calls are being made to increase returns. Intent of survey was to determine number of grower-owned and controlled processing cooperatives, a term used in P.A. 344. Information will be compiled and presented to the Agricultural Marketing and Bargaining Board early next year.

FOOD DIVISION:

Final Approval of Regulation 569, Smoked Fish. Patrick Mercer presented Regulation 569 (Attachment I) for final Commission approval. A public hearing was held on the regulation (report on the hearing included in Attachment I) and Office of Regulatory Reform reviewed the regulation. Director Wyant supports the request for approval.

MOTION: Commissioner Crumbaugh moved that final approval be given Regulation 569, Smoked Fish (Attachment I).

(Seconded)

Motion carried unanimously.

Commissioner Veliquette asked how MDA will evaluate effectiveness of the HACCP program of a smoked fish processor. Mr. Mercer said MDA evaluates the written HACCP plan and accompanying scientific data and conducts on-site inspections.

School Cafeteria Sanitation Issue. Philip Kirkwood provided an update on a school cafeteria sanitation issue reported in the Detroit News on October 17, 1996 (copy on file in Commission office). Mr. Kirkwood responded to statements in the article which in some cases were journalistic sensationalism, manipulation of facts, and misquotations. Director Wyant wrote a letter to the editor calling attention to errors in the article.

Mr. Kirkwood surveyed cafeterias statewide including school cafeterias. Of 36,422 facilities, 4,815 (13.2 percent of licensees) are cafeterias. In Detroit-Metro area there are 13,800 licensed facilities; 1,714 (12.4 percent) are cafeterias and it is estimated 80 percent of these are school cafeterias. Thirty-six percent of the cafeterias statewide are in Detroit-Metro area. During the past three years, there were 96 (21 percent) illnesses traced to Metro-area schools and 355 (79 percent) illnesses outstate.

Training of inspectors and food service workers is necessary, particularly in the Detroit city area. Low salaries, no qualifications, and rapid turnover are not conducive to maintaining a quality work force. Efforts are being made to establish qualifications for inspectors; e.g., a degree, and MDA staff has spent time in the area training workers.

Mr. Kirkwood said violations cited in the article probably were real, but after consultation with local health departments in other areas, he found there are situations in those areas that also need improvement. As a result of the publicity, local health departments are working to assure that similar reports do not occur in their areas.

He reported some of the problems that cause illness and need special attention include: maintaining temperatures of food being transported from kitchens to satellite serving areas, washing dishes in improperly equipped areas, failure to cool food, and condition of buildings (old and out-of-repair inner city schools). Fortunately there are no leftovers in school lunch programs, so this is not a problem for these systems. Suggested solutions include training and certification (assist Detroit inspectors in school inspections and provide manager-food service training) and partial funding for training programs in school districts.

PESTICIDE AND PLANT PEST MANAGEMENT DIVISION:

Office of Pollution Prevention. Right-to-Farm Complaints: Wayne Whitman reviewed the "Annual Inventory of Outstanding Right to Farm Complaint Files" (Attachment J), an overview of MDA's response and other agency assistance with development of plans. Since report was printed on October 31, progress has been made on a number of verified complaints with abatement of problem on four farms. Mr. Whitman has been notified by eight owners that projects were completed and followup inspections are pending. Overall, number of complaints is similar to that reported in each of the past four years.

Some complaints are about livestock access to surface water; some occur at small, parttime farm operations. Most complaints are resolved, but finding solutions can be challenging. MDA works with each producer on a case-by-case basis.

Commissioner Tatter suggested the Director share this report with K. L. Cool (DNR) and Russell Harding, DEQ as it is a positive reflection of this department's success and timely resolution of complaints by voluntary compliance many times before serious problems develop.

PURCHASE OF DEVELOPMENT RIGHTS SCORING:

Richard Harlow and Dr. David Skjaerlund requested approval of the Purchase of Development Rights (PDR) Scoring System (Attachment K) which is to be used to evaluate and prioritize PDR applications received in 1997. System includes a summary statement of process, establishes method of appraisal and per acre cap for purchase prices, and a scoring form.

Dr. Skjaerlund called attention to a suggested change in the first paragraph, last sentence, of the PDR Scoring System as follows:

The Natural Resources Commission and the Commission of Agriculture have **determined** that no more than. . . .

NRC will consider the PDR Scoring System on November 12. DNR staff and a subcommittee of NRC have reviewed and commented on the scoring system.

Commissioner Tatter expressed the intent of Farmland Open Space Act is to preserve farmland and open spaces, but it is not meant to be antidevelopment. He does not want this document to project that interpretation. He referenced B) Development Pressure, Item 2--Development of Points, and said progression of points should increase (6 rather than 2) for property farther from sewer and water (reverse of order listed). Commissioner Darling suggested "water" be added to the item as access to municipal water systems also drives development.

Dr. Skjaerlund explained process and information used to develop point system and criteria.

Mr. Harlow pointed out the statute also requires a measurement of development pressure and scoring provided in Item 2 supports pressure for development.

Participation in the program is voluntary and the state will not condemn property for development rights. Applications are not considered until landowner and local unit of government sign off. There is provision, with approval of NRC and MCA, to exit the program. Approximately \$12 million is available for PDR purposes. Approximately \$2.5 million is projected to be added to the PDR fund annually.

The Director emphasized the uniqueness of this opportunity. Prior to amending P.A. 116, DNR had exclusive authority to make these decisions. The partnership between MDA and DNR formalizes a process to look at areas of importance to agriculture. NRC and MCA are authorized to annually review the scoring system. The Director supports approval of the scoring system.

Mr. Harlow does not anticipate NRC will make changes to the proposed scoring system. If it does, these will be brought back to MCA for consideration and action.

MOTION: Commissioner Darling moved that the proposed Purchase of Development Rights Scoring System (Attachment K) be accepted with recommended change from the Department of Natural Resources and the following change:

II. Scoring of Nominated Parcels: . . .

B) Development Pressure. . .

2. Proximity to existing **public sewer and/or water**. . . .

(Seconded)

Motion carried unanimously.

CONGRATULATIONS:

The Commissioners congratulated Drs. David and Marcia Skjaerlund on the birth of their second son, Jonathan David.

DAIRY DIVISION:

Update of Dairy Division. Tom Whalen reported on status of the state's milk industry (short supply with higher prices and large operators shipping milk out of state), rBST, and future growth of the dairy industry in Michigan. He also commented on effects of the early retirement proposal, development of a divisional strategic plan, legislative review of the dairy program, HACCP programs for dairy plants, and Hepatitis A. Attachment L is a summary of his comments.

LIVESTOCK EXHIBITION

Carol Carlson and Marilyn Thelen reported on the Livestock Exhibition Competitive Grant Program which was offered for the first time in 1996. This program replaces the Water Wonderland Grant Program. Funding for this program is in legislative boilerplate language (county fair premiums appropriation line item). Attachment M contains a summary of their comments and a listing of entities receiving grants and projects completed.

The U.P. State Fair received three grants. In addition to the Children's Barnyard and Birthing Exhibit, there were grants for the Skill-a-Thon (live exhibits/demonstrations) and Livestock-a-Rama (127 exhibitors participated in that event).

Funding for the program in fiscal year 1996-97 is \$120,000. Program is an opportunity to provide education at state and country fairs and exhibitions. Mrs. Thelen also described the procedure for grant selection and announcement of recipients. Program received very positive publicity.

ADJOURNMENT:

No others wished to speak to the Commission; therefore, Chairperson Skogman adjourned the meeting at 12:30 p.m.

Attachment D

SUMMARY OF COMMENTS BY DR. DAVID WADE AND ROBIN ROSENBAUM ON THE FOOD QUALITY PROTECTION ACT TO MCA, Lansing, Michigan, November 8, 1996.

Dr. David Wade reviewed the history of the Delaney Clause which was added to the Food, Drug and Cosmetics Act in the 1950s. Basically this clause prohibited intentional addition of carcinogenic materials to processed foods. A paradox resulted, however, in that a carcinogen could not be in processed food but was allowed for raw commodities. In time the authority to determine tolerances was removed from the Food and Drug Agency and placed under EPA's jurisdiction.

EPA developed a negligible-risk approach to allow tolerances for some carcinogen in processed foods. A lawsuit followed and the court ruled in favor of the plaintiff thus requiring strict interpretation of the Delaney Clause (zero tolerance). Recently Congress amended the Federal Food, Drug and Cosmetics Act (FFDCA) and Federal Insecticide, Fungicide and Rodenticide Act (FIFRA). The resulting Food Quality Protection Act was signed into law in August 1996. The law now states: "EPA will have the ability to determine tolerances using a negligible risk approach for carcinogens"; this pertains to raw and processed foods. A different model will apply for noncarcinogens. Included in this attachment is a memo from Kenneth J. Rauscher which provides information on the amendments to FFDCA and FIFRA and other highlights of the new law.

There are concerns regarding the development of tolerances due to lack of data and tolerance levels must be protective for children. Laboratory methodology must be in place within two years to test whether a material is an endocrine disrupter or an estrogen mimicker. A number of pesticides are estrogen mimickers. Within three years everything must be in place to receive data from manufacturers for determining tolerances. This will be difficult to accomplish.

Regarding the 1996 amendments to FIFRA, all existing tolerances are still in place. The new process will be used to develop tolerances for new materials. EPA must review all tolerances within a 10-year period, the review of minor use chemicals will be expedited, and a scientific advisory panel will be established to oversee the process.

In its present form the new law will create difficult problems for agriculture. It appears to be good but there are no data and without data, defaults will occur and will be so conservative that unrealistically low tolerances can result.

Ms. Rosenbaum discussed the impact of the new act on Section 18 exemptions. In review, Section 18 of FIFRA exempts state and federal agencies from registration requirements under that act. There are four types of Section 18s; MDA uses two. The first are specific exemptions (initiated upon receiving a request from an Extension specialist indicating there will be an urgent, nonroutine situation in the next growing season that will cause the need for a specific unregistered pesticide). MDA prepares a comprehensive application which is submitted to EPA. EPA has a minimum of 50 days to review. If exemption is issued by EPA, it is good for one growing season. MDA will receive Section 18 exemption requests over the next few weeks (generally submitted during January and February). Second are the crisis exemptions (issued by the state when there is not time to submit a specific exemption request to EPA). These occur in the middle of the growing season. MDA issues the crisis exemption and informs EPA. EPA may order MDA to revoke the exemption. Crisis exemptions are in effect for two weeks

unless during that time a request for specific exemption is submitted.

With the new act, tolerances must be established for each Section 18 exemption. This will be difficult because of the short time period and the lack of data. EPA requested states to refrain from issuing crisis exemptions until tolerances are issued (use would be legal, but crops could be adulterated if there is residue found on the crop).

Some specific exemptions have been issued since the act was enacted. MDA will apply for Section 18 exemptions for Bravo and Bayleton for use on asparagus, Ronilan for snap beans, Mycoshield Agriculture Teramycin for streptomycin-resistant fire blight on apples, and confirm for oblique banded leaf roller on apples, three chemicals for late blight on potatoes, and Reflex for dry beans. If federal registrations of organophosphates are removed, apple growers will have serious problems.

On November 21-22, Ms. Rosenbaum and MSU representatives will meet with EPA in Washington, D. C., on this issue. On November 26 the MSU Pesticide Education Group will conduct a workshop/ seminar for Extension specialists and commodity groups to review the new act and need for early requests and submission of Section 18 exemption applications.

Ms. Rosenbaum is on a national committee for Section 18 reform; its present focus is multiyear Section 18 exemptions. Committee meets with NASDA on November 23.

Brian Rowe reiterated there is coordination among commodity groups, MSU, MFB, and MDA. He reported Dr. Wade is a member of the American Association of Pesticide Control Officials which provides opportunity for input into the system and influence on policy and other decisions. MDA will work to get Section 18 requests submitted early.

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Attachment E

SUMMARY OF COMMENTS BY MDA DIRECTOR DAN WYANT TO MCA, Lansing, Michigan, November 8, 1996.

Recent activities :

- **Michigan Harvest Gathering.** The Director participated in the kickoff event for the 1996 harvest gathering. He invited the Commissioners to event's finale on November 14.
- **Renaissance Zones.** Mr. Wyant, Mr. Craig, and Vincent Parris (Market Development Division) attended the Gratiot-Montcalm Renaissance Zone organizational meeting. Program allows communities to apply for a tax-free zone. Gratiot-Montcalm's proposal will promote value added/food processing and will focus on corn, potatoes, dry beans, and aquaculture. Applications have been submitted for 10 rural and eight urban zones in Michigan.
- **Meetings and Visits.** Mr. Wyant met with or visited:

MDA employees in Region V (St. Joseph/Benton Harbor area). Also, he and other staff visited USDA's Laboratory and Seldom Rest Farm;

Representative Bill Bobier and northwest Michigan cherry growers regarding cherry and deer

damage issues;

Agricultural leadership in Frankenmuth on new generation cooperatives (a move from input-supply to addition of cooperative ownership of food processing). North Dakota and Minnesota have been successful with farmer-owned processing. Jim LeCureux (MSU-Extension) received a Kellogg Foundation grant to coordinate a study of the new generation farmer-owned cooperative concept. The Commission pointed out this is not a new concept in Michigan as it has been done in the fruit and vegetable industry; e.g., National Grape-Welsh. It should be contacted regarding its experience. Vertical integration in the dairy industry is another example of this effort;

Representatives of Southern Thumb Cooperative (Lapeer) regarding Hedge-to-Arrive contracts. Co-op is under new management and license agreement with Michigan Agriculture Commodities. This should help assure presence of the co-op in that area for the future;

Supreme Court Administrator's Office staff regarding a statewide agricultural mediation program which is federally funded and housed in the Court Administrator's Office. Service is available to mediate conflict regarding agricultural loans, nuisances, and some environmental programs. MDA will communicate availability of the service; it was suggested service might be helpful in resolving the conflict related to the Stoneman livestock facility in Gratiot County.

Director Wyant explained the mediation program is designed to take pressure off courts and solve problems prior to litigation. The federal government offered the agriculture component in Michigan to be in conjunction with the existing state mediation option. Mediation is voluntary and is an attempt to stay out of court;

Michigan Festivals and Events Association Annual Meeting; and

Michigan Milk Producers Association (MMPA) leadership regarding MDA's partnership with the milk industry and our efforts to help the industry. MMPA has some proposals regarding Canada's closed market for Michigan milk.

Miscellaneous Issues

- MDA continues to work with Department of Management and Budget, the Governor's Office, and MSU regarding Project GREEN [plant initiative through MSU's College of Agriculture and Natural Resources].
- The Director reported an agricultural delegation from Ghana visited MDA. Market Development Division worked with the group on opportunities for partnerships between Michigan and Ghana.
- Mr. Wyant and Russell Harding, DEQ Director, discussed need to review the Right to Farm Memorandum of Understanding between DEQ and MDA.
- He expressed his pleasure for opportunities to meet with Hanson Cold Storage leadership, farmers in St. Johns, Jack Laurie (MFB), and Dr. Fred Poston (MSU) regarding the Food Safety Quality Protection Act. MDA, MSU, and MFB are aware of the importance of the minor-crop industry to Michigan and are committed to doing everything to assure that growers have tools to compete.
- MDA's Technology Committee report points out a need for training. We are partnering

with DEQ in a Customer Service Academy, a state pilot program, which offer service academy training for employees. This was a recommendation from the Secchia Commission.

- DeGrandchamps received tentative state approval to move forward in developing their cranberry beds; however, EPA is still reviewing the application.

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Attachment G

SUMMARY OF COMMENTS REGARDING LEGISLATIVE ISSUES BY VICKI PONTZ-TEACHOUT TO MCA, Lansing, Michigan, November 8, 1996.

Vicki Pontz-Teachout referred the Commission to the November 1996 Department of Agriculture Bill Status Report (included in this attachment) and provided additional information on the following:

- **H.B. 4171, 4172, and 4173, Purchase of Development Rights/Transfer of Development Rights.** MDA recently was designated lead agency for these bills and will follow them closely.
- **H.B. 6150, Drain Code.** Work group is going well, there is excellent participation from interest groups. Representative Gnodtke held a hearing in late October; a quorum of the committee was not present but some testimony was received (tenor of testimony was process for consensus building is good but more time is needed for that purpose).

Ms. Pontz-Teachout and Michael Gregg will review issues related to revisions to the Drain Code during the December Commission meeting.

MDA anticipates action on the following legislation during the lame duck session:

- **S.B. 1158 through 1162, Migrant Housing**, exempts rent-free, employer-provided housing from several acts; e.g., Truth in Renting Act and Landlord-Tenant Relationship Act. Primarily, bills will reduce time for evicting workers who do not move from employer-provided housing after completing their employment so housing can be made available for replacement workers. Bills provide exemption to the Revised Judicature Act by reducing hours from 72 to 48, after written notice, before owner can seek an eviction notice from the court. Bills exempt rent-free, employer-provided housing from the Michigan Consumer Protection Act.
- **H.B. 6052, Groundwater**, provides exemption from the Freedom of Information Act for farmstead assessment systems performed through the Groundwater and Freshwater Protection Act.

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Attachment L

SUMMARY OF REPORT ON DAIRY DIVISION BY TOM WHALEN TO MCA, Lansing, Michigan, November 8, 1996.

Mr. Whalen reported milk supply is tight and getting tighter, feed costs have risen, and number

of farms decreased (229 fewer Grade A farms than last year). Milk production in September was 445 million pounds, down one percent from last year (production per cow and overall production are down). These circumstances have resulted in a higher milk price (\$16/cwt.). Commissioner Crumbaugh pointed out feed prices were down and dairy prices would follow. [Note: That is what has happened. Prices per hundredweight have averaged \$12-13 per hundredweight for the last decade. They are expected to drop to that level from a high of \$16/cwt. by early next year.)

Some larger farms are shipping milk out of state and are being paid a bonus of up to \$2/cwt. bonus as well as a volume bonus. Wisconsin passed a regulation limiting what could be paid (prohibited payment on the basis of volume) which resulted in a lawsuit by Dean Foods.

The Canadian market is virtually closed to U.S. dairy products; it is anticipated it will remain closed for some time.

BST is not currently a big an issue in Michigan. There is a regulation allowing labels on containers that product is rBST-free as long as no other claim is made for the milk.

The future of dairy production in Michigan looks good. Michigan's climate, soil, plentiful forage, available markets, good regulatory and economic climate, and new livestock initiatives at MSU help to make the industry strong. A number of large- and medium-sized dairy operations are moving into Michigan in addition to more pork producers.

The early retirement program can have a significant effect on the Dairy Division. Three field supervisors, the pasteurization specialist, half the quality assurance/survey officers, and the new division director are eligible for the program.

Division is developing a strategic plan in coordination with the MDA strategic plan. Mission was redefined and a new vision and goals were developed. Intent is to be the best dairy program nationally and internationally.

The dairy program, along with programs for food sanitation service, gypsy moth and clean sweep, is scheduled for legislative review. Mr. Whalen believes this will be a positive opportunity and experience.

Division will continue to work with MSU and the dairy commodity program regarding HACCP programs. It appears dairy plants are good places to introduce HACCP and this should help with listeria problems.

Division continues to face a few problems--one is with frozen, soft-serve desserts. Staff works with Community Health Department, MDA's Food Division, local public health departments, and manufacturers to improve in-plant procedures. If necessary, division will initiate regulation to resolve these problems.

Another area of concern to be addressed is hepatitis A (usually found in countries where sanitation and water facilities are poor). Problems are experienced in areas where people wish to live under conditions similar to those of the 18th and 19th centuries. MDA is concerned about the level of incidence of hepatitis A and is requesting MDA Laboratory to check for hepatitis A in water supplies, milk, and products produced (usually cheese). It is not anticipated this will be

a large public health issue; concern is primarily for the farmer and MDA inspectors visiting these farms. Water is tested for coliforms and bacteria. If a problem is found, chlorination or other treatment is required. If bacteria is not reduced, new wells must be dug. At this time there is no problem; however, the division is ever watchful to assure that hepatitis does not become a problem.

The Commission asked what could be done to attract more dairy operations to Michigan and how much money for the new, large dairy facilities is coming from out of state or out of the country. Mr. Whalen said our right to farm legislation, groundwater protection programs, the good regulatory climate, etc. help the industry. A considerable amount of the money for the new large dairy operations is coming from outside Michigan.

I, Douglas E. Darling, Secretary of the Michigan Commission of Agriculture, do hereby certify that I have read the minutes of the November 7-8, 1996, session of the Commission of Agriculture and they are a true and accurate description of the proceedings thereof.

(Signature on file in the Commission office)

Douglas E. Darling, Secretary

I, Daniel J. Wyant, Director of the Michigan Department of Agriculture, do hereby certify that I have read the minutes of the November 7-8, 1996, session of the Commission of Agriculture and they are a true and accurate description of the proceedings thereof.

(Signature on file in the Commission office)

Daniel J. Wyant, Director

Approved on December 3, 1996.

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